

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 14, 2017

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Ackerman(Den Hartog), Lodge, Harris, and Buckner-Webb

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the Committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENE: **Chairman Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:04 p.m.

MINUTES APPROVAL: **Senator Hagedorn** moved that the Minutes of February 23, 2017 be approved. **Senator Winder** seconded the motion. The motion was approved by a **voice vote**.

H 111AA **Increases the license plate fee and removes from Idaho Code those specialty license plate programs that have been canceled for over a year.** **Chairman Brackett** invited Pat Carr, Idaho Transportation Department's (ITD) Department of Motor Vehicles (DMV) Policy and Program Manager, to present **H 111aa**.

Ms. Carr said that **H 111aa** requests a fee increase of 75 cents per license plate. Costs for the manufacture, production and distribution of license plates have continued to rise incrementally over many years, while the cost of producing a plate has not changed in over 20 years. The current fee is \$3.00 per plate of which 50 cents goes to the Idaho Heritage Trust Fund for the copyright design of the red, white, and blue Idaho license plate background. License plates identify a vehicle and determine whether registration fees have been paid. Plates must be replaced every seven years because the reflective covering that makes them easily readable is only guaranteed for that long. Given the current cost of license plates, it is less than 50 cents per year per plate to the owner. ITD contracts with Correctional Industries for the manufacture and distribution of license plates, and they purchase materials and lease the equipment to produce license plates. **H 111aa** also repeals several sections of Idaho Code for specialty license plates that have been canceled over the years and are no longer applicable; in addition, there are two technical corrections. **Ms. Carr** concluded by going through the sections of the bill.

Vice Chairman Nonini asked for the definition of "adequate cash balance" as appear on page 5. **Ms. Carr** responded that it was an estimated figure based on the plates; staff would make that determination. She called on Alan Frew, ITD's Administrator of DMV, to clarify. **Mr. Frew** said that in 2009 there was a transfer of \$1 million from the Highway Distribution Account (HDA) to the Plate Manufacturing Account (PMA); the language on page 5 allows discretion to ensure sufficient funds are always in the PMA.

Chairman Brackett asked if there are transfers of the funds over \$1 million back into the HDA. **Mr. Frew** replied no because the funds are utilized for license plate production, which supports passage of this legislation to help avoid shortfalls.

Senator Hagedorn wanted the cost per license plate for each input to production when Correctional Industries makes a license plate. **Ms. Carr** said she would have to send that information.

Senator Den Hartog asked when Idaho made the change to laser printed plates from imprinted license plates. **Ms. Carr** guessed it was around 2000. **Senator Den Hartog** wanted information on the cost decrease with specialty license plates. **Ms. Carr** was unaware of a decrease in costs. **Mr. Frew** corrected that it changed between 2000 and 2005, which deferred a price increase for many year by going to the flat plate. Currently each plate costs more than the revenue ITD receives on plates; DMV has planned a meeting with Correction Industries to go over these numbers.

Chairman Brackett asked what the savings per plate was at the time of changing to a flat plate. **Mr. Frew** said the imprinted plate was labor intensive; the laser plate is thinner metal.

Senator Hagedorn remembered that DMVs carried large inventories of imprinted license plates; he asked if there was a cost savings for the new order-as-you-go system. He also inquired about the shipping charge when ordering a plate online and whether it was covered in the price of the plate. **Ms. Carr** said that counties still order large numbers of plates, but she was not sure if shipping charges were covered in the price of a license plate.

MOTION:

Senator Winder moved to send **H 111aa** to the floor with a **do pass** recommendation. **Senator Keough** seconded the motion. The motion passed by **voice vote**. Senator Keough will carry the bill on the floor.

H 131AA

Changes to Idaho Code that would not allow automobile dealers or sales people who have been convicted of a crime pertaining to the automobile dealership business to obtain a new dealer or sales licenses until after an appropriate amount of time has passed or restitution has been made.

Chairman Brackett invited Bobby Petersen, a board member of the Idaho State Independent Automobile Dealers, to present **H 131aa**.

Mr. Petersen said there is a loop hole currently in Idaho Code that allows automobile dealers and sales staff who have been convicted of a crime based on their car business to immediately reapply for a new license to practice their trade. This applies even if they haven't made any restitution for their criminal activity. He mentioned two examples that he knew of; it is a statewide problem. Some go back multiple times and ITD cannot stop them from receiving a license because of this loop hole. This affects the integrity of the dealership industry. **H 131aa** requires that those convicted of a misdemeanor must wait three years after their first conviction and seven years for each subsequent conviction before applying for a license. For felony convictions, there is a ten year waiting period after the first and subsequent convictions. He concluded by stating that the current hearing process would remain intact for those disputing their license denial.

Senator Den Hartog asked how the three, seven, and ten year waiting periods were determined. **Mr. Petersen** replied that the interested organizations batted the time periods around, but ultimately the language came directly from the Attorney General.

TESTIMONY:

Kevin Hanigan, Vice President and Executive Director for the Idaho Automobile Association, said that his organization supports **H 131aa**. His organization represents new car dealers; this legislation will help both them and the independent dealers.

MOTION: **Senator Hagedorn** moved to send **H 131aa** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**. Senator Hagedorn will carry the bill on the floor.

PAGE FAREWELL: **Recognizing Anika Draper of Idaho Falls, Idaho for her service as Committee Page.** **Chairman Brackett** told Ms. Draper that it seemed like she had just arrived to serve as the Committee's Page and now it was time for her to graduate. He presented her with gifts from the Committee. **Chairman Brackett** then invited Ms. Draper to share her experiences as a Page.

Ms. Draper said she had enjoyed her time as a Senate Page. She said she had expanded her knowledge through observing Senate procedures and listening to legislative language that was new to her. Her plans include attending BYU-Idaho where she will minor in music and then plans to go on to a graduate school focused on Interior Design. She enjoys writing lyrics to songs, which Senator Hagedorn commented on. She shared she has played the piano for nine years.

HCR 24 **Rejection of Idaho State Police's Administrative Rule pertaining to requiring Electronic Logging Devices (ELD).** This rule was approved by the Senate Transportation Committee on January 19, 2017. **Chairman Brackett** said that Representative Dixon was not available to present because of the House of Representative's calendar, but that Senator Harris would present the bill.

Senator Harris began by stating that **HCR 24** is a concurrent resolution to reject the entire pending Idaho State Police (ISP) rule found in **Docket No. 11-1301-1603**. The rule pertains to truck drivers being required to maintain an electronic log device (ELD) that records mileage driven and location when the truck is in motion. The rule makes Idaho compliant with federal regulation requiring that truck drivers of trucks manufactured in 2000 and newer must have an ELD by December 2017. The Idaho House of Representatives rejected this ISP rule by passing **HCR 24**.

Senator Harris said there are two reasons why he was asking the Committee to support **HCR 24**: 1.) it is a government mandate; and 2.) the cost of an ELD falls on the owner operator and small companies. The cost ranges between \$1,500 and \$2,000 each, with the annual service cost being about \$600. If a truck motor must be replaced, the cost can be anywhere from \$18,000 to \$28,000; plus there are annual fees and taxes. He concluded by acknowledging he was fighting an uphill battle with the federal rule, but he believes it is not right.

Chairman Brackett said that if Senator Harris hauls his own cattle, there is an exception. **Senator Harris** said that he does haul his own cattle plus he hauls another rancher's cattle so there is no exception for him.

Senator Hagedorn said that if he's hauling cattle outside of Idaho, he would be required to have an ELD anyway. **Senator Harris** understood that if this rule is rejected it will only pertain to hauling within Idaho.

TESTIMONY: **Dennis Tanikuni**, Assistant Director of Government Affairs for the Idaho Farm Bureau (IFB), asked the Committee to vote yes to reject this rule. He said the American Farm Bureau Federation had a specific policy addressing this issue, stating these are national policies affecting local businesses that must suffer from their negative effects. There have been few exceptions granted, but many industries are affected.

Senator Den Hartog said that ISP had provided a handout stating that industries still have to comply with ELDs outside of Idaho. She wanted to know how the IFB differs between the State rule and the national policy. **Mr. Tanikuni** said that agriculture is under the 150 air mile rule if a truck driver hauls his own commodity in his own truck. In commercial endeavors in Idaho, 150 miles on rural road systems can experience longer drive times than drivers in more urban states driving on highway systems.

Julie Pipal, President and CEO of the Idaho Trucking Association (ITA), said ITA represents 280 members of all sizes that employs directly or indirectly 30,000 Idahoans. Her board and membership also opposes mandates, but they realize that daily operations need to be considered. If this rule is rejected, carriers are still subject to comply with the LED rules. If the past is an indication, federal authorities will target Idaho carriers meaning contractors that hire independent Idaho operators will not hire those not compliant because they cannot afford the time lost when those loads are stopped. ITA supports the rule and asks the Committee to vote no.

Chairman Brackett asked about costs. **Ms. Pipal** said there are a lot of options for the carriers, but providers are waiting to register until the deadline. Costs for smaller providers is \$35 per month, includes installation in the vehicle; it is more if the vehicle chassis has been upgraded, ranging from \$35 to \$100 per month.

Chairman Brackett asked about the original cost. **Ms. Pipal** said those are subscriptions that includes the hardware. **Chairman Brackett** about purchasing a unit. **Ms. Pipal** said the firms she's dealing with only offer a subscription.

Chairman Brackett asked what is required with reporting and how does the ELD help in completing those reports. **Ms. Pipal** said the records are maintained for six months or more, but all that's required roadside is the last seven days of the logs and those reports can be produced on the ELD. **Chairman Brackett** asked what about one year later? **Ms. Pipal** deferred to Captain Horn with ISP for the length of time required for compliance reviews, but the drivers only have to be concerned with the seven days report.

Captain Tim Horn, ISP's Commercial Safety Section, believes it is two years that records have to be kept by carriers for safety situation or compliance review. Agriculture commodities are completely exempt from federal inspection in the State of Idaho. If a driver goes past the 150 air miles out of State, then they have to have an ELD. Idaho Code § 67-2901B describes all the exempt commodities in Idaho. As long as the truck remains intrastate, from the most southern border to the most northern border, the truck is exempt from federal inspection. He concluded by stating the most important thing about ELDs is that they have been proven to reduce serious crashes by 11.7 percent.

Chairman Brackett asked what attributes to the reduction in crashes. **Captain Horn** said that fatigue driving is one of ISP's most serious reasons and violations for crashes. He cited examples in Idaho of crashes resulting in truck drivers being way over on their driving hours. This affects not only the truck driver, but the general public; ELDs actually save money.

MOTION: **Vice Chairman Nonini** moved to hold **HCR 24** in Committee. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senator Harris** asked to be recorded as voting nay.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:09 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary